

LET'S PUT EIGHT MILLION PEOPLE BACK TO WORK

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AGAIN, WASHINGTON REPORTS THAT EIGHT-TENTHS OF ONE PERCENT MORE PEOPLE WERE EMPLOYED THIS MONTH THAN LAST.

BUT WHAT ABOUT THE EIGHT MILLION WHO ARE STILL UNEMPLOYED?

AT CHAUTAUQUA IN EARLY JULY (1985) A MEMBER OF THE FEDERAL RESERVE BOARD SAID THAT THE HISTORICALLY UNPRECEDENTED COMBINATION OF OUR FOREIGN EXCHANGE IMBALANCE, COUPLED WITH OUR NOW INFAMOUS DEFICIT, PRESAGES A GENERAL CRISIS FOR OUR ECONOMY. "IT COULD HAPPEN TOMORROW, OR IT MAY NOT OCCUR FOR TWO YEARS." AS ONE CARING PERSON ONCE SAID, "NEITHER THE DAY NOR THE HOUR."

FOR MOST OF THOSE EIGHT MILLION THE SECOND GREAT DEPRESSION IS ALREADY HERE.

THE PRESIDENT TAKES TO HIS GREAT WHITE HORSE. "NUMBER ONE" IT SAYS ON HIS SADDLE BLANKET. "CHEER-UP, WE HAVE SOLVED THE TAX PROBLEM."

AH, IF HE ONLY HAD! HAD HE REALLY DONE SO HE WOULD ALSO HAVE SOLVED THE UNEMPLOYMENT PROBLEM, FOR THE UNEMPLOYMENT PROBLEM IS A TAX PROBLEM.

DOES NOBODY IN OUR MODERN WORLD KNOW THAT THE PROBLEM OF POVERTY HAS BEEN SOLVED? YES, THERE ARE A FEW. AND THAT PROBLEM TURNED OUT TO BE A TAX PROBLEM TOO.

IF THERE ARE ONLY A FEW, THAT MEANS THAT THE GREAT MAJORITY DO NOT KNOW IT IS A TAX PROBLEM

WHAT FOLLOWS ON THE NEXT PAGE IS NOT AN EXAGGERATION. I WISH IT WERE. I OFFER IT IN ALL HUMILITY BECAUSE ONE-FOURTH OF MY ADULT LIFE I BELONGED TO THE MAJORITY. LET ME SAY AT THE OUTSET, THERE ARE MILLIONS WHO HAVE FORGOTTEN MORE ABOUT THE COMPLICATIONS OF THE INCOME TAX THAN I EVER HAD TO KNOW. PLEASE FORGIVE ME IF IT OFFENDS. NOW, BRACE YOURSELF!

Ninety-nine percent of all the people in America do not know the first thing about taxes. Nonsense! Ridiculous! Most of the 99% will say. But, Right! Absolutely correct! will be the response of the remaining 1%.

Those words, "the first thing" was a catch phrase. Suppose we say, "the most important fact" about taxes instead. Do you know what that is? Perry Prentice, long time Vice President of TIME once said, "Almost nobody understands the property tax. Not one business person in a hundred (1%) and not one taxpayer in a thousand (0.01%)."

We do appreciate the benefits of our free enterprise system, but little by little our freedoms seem to be eroding. Why has a sinister tendency toward degeneracy been seeping into our society? If you haven't noticed, take warning. It is all too real.

With churches active in all our cities; with schools such as the world never knew before; with armies of well meaning people volunteering to aid the sick and unfortunate; with a "safety-net" called Social Security to deal with the aged and infirm; why must we still keep calling on the government to deal with problems that never seemed to exist in the early days.

Never were so many people so vigorously trying to plug the leaks that seem to be breaking out everywhere. If you have a reputation as a caring person, it would take you an hour every day to read your junkmail, and clean you out of pocket before payday. Where are all our troubles coming from?

OUR PROBLEM: HOW TO DEAL WITH LAND AND WEALTH

Our story begins and ends with the property tax. Only the property tax involves directly every square foot of land and every bit of wealth in the country. When we use the word LAND we mean all the given resources of nature, not just farm land and wilderness areas. When we add the word VALUE we recognize that every parcel of land is unique. Some land has no market value at all. Other land is worth a fortune. The great bulk of land values are in the cities and it is in those areas that our system is hurting us the most.

The land along the waterfronts of New York City is fabulous in its worth because New York harbor is the focal point where products of all kinds keep flowing in and out of the country. Where people choose to live in great numbers land always increases greatly in value.

When we say WEALTH we do not mean money. Money is merely a means of exchange. Only those things that have been produced by human effort as men have applied themselves to land, and thereby made something that others are willing to buy can be called wealth. In our modern world ownership of land becomes a legal right and people pay money for exclusive title to land. In many countries individuals never own land. They move together from place to

place and share and share alike the production of all community efforts. Rent of land does not occur and it is impossible for some to grow inordinately rich at the expense of their fellows. This business of individual ownership of land has always been a problem and so far no country in the world has dealt with that problem with 100 percent efficiency. Failure to deal with this crucial fact has put the economies of every modern country at risk.

How to maintain a country so that every producer of wealth and every supplier of some worth-paying-for service receives a fair return for effort is vitally important. To solve this problem so as to keep some from claiming too much, and so dividing a society into haves and have-nots, is of the utmost importance. The very fact that some country is referred to as a land-owner's paradise ought to give us a clue as to where all our troubles are coming from.

HOW TAXES AFFECT WEALTH

All economists agree that any tax based upon any product of human labor is invariably passed on to the ultimate consumer. This means that every finished product, such as a house, an automobile, a bridge or an airplane carries with it an accumulation of innumerable taxes incurred from the time its various parts were extracted from the land,— land being the sole source of every bit of wealth in the whole world.

When you build a house you are obliged to pay a whole bundle of taxes that began the moment the forester cut down the trees and fashioned the lumber. He paid an income tax on his own labor and a wage tax on all employees. In most states he will have paid taxes on his sawmill and all transportation facilities. Before he could sell the lumber he had to pay a sales tax on the right to make a deal with the contractor. So much for the forester, but what about the architect, the excavator, the carpenter, the plumber, the electrician, the roofer and suppliers of furnace, air conditioning and insulation? All will have had to pay wage taxes and sales taxes on tools and equipment. When one stops to think of the cumulative effects of such a stream of taxes, the whole business is mind boggling.

THE CUMULATIVE BUILD-UP OF TAXES ON WEALTH

But the worst is yet to come. Once the last bit of paint has been applied the government sends in the assessor. He assays the situation and sets down a figure representing a legally agreed upon percentage of the total value of the land and building. Then you, the owner, are obliged to pay a tax, not just one tax but a succession of taxes every year thereafter. Some competent mathematician figured it out and declared that this was the same as a 52%

sales tax, and everyone knows that the sales tax is the most flagrant of all regressive taxes.

It is one thing to talk about the millions of manufactured items called commodities as compared with such labor products as buildings, landscaping tiling and blacktopping which are attached to land. All taxes on such improvements are paid by owners or by renters indirectly. When improvements bear anywhere from two to forty times as much as the land they enhance, it all adds up to unimaginable trouble.

What this country needs in order to stop the high-cost-of-everything kind of taxation is to start moving gradually toward the elimination of (1) taxes on buildings and improvements attached to land; and (2) taxes on labor, -- income and wage taxes; and (3) taxes on the right of producers and retailers to make deals, -- sales taxes.

TAXES THAT SET THE BRAKES ON PRODUCTION

All such taxes set the brakes on production and penalize people for doing what everyone should be doing with enthusiasm, -- producing wealth or rendering some desirable service. Everyone seems to understand that most of our taxes are regressive -- a very poor and nondescriptive word -- but the only one in popular use. What it means to most people is that they are bad. Few realize the reason they are bad is that they are taxes based either on labor products -- and so in process of being passed on -- or they are fines for producing wealth in the first place or making deals in the second.

A BETTER WAY

Is there another method of raising public revenue that is not regressive or bad? There certainly is, and the positive effects of employing it are as productive as the negative effects of taxing labor products, or punishing people for producing or serving, are destructive. We are thinking, not only of the frustrations of millions now living on the borderline or below the poverty level, but of the huge segment of our society now earning forty or more thousand dollars a year, and who, in a sort of silent rage, are beating their college-trained brains out trying to figure how to safely avoid paying Uncle Sam more than necessary.

It has been said that the property tax incorporates within itself the worst and the best of all possible taxes. I have just dealt with the worst part which bases the tax on buildings and improvements. If, however, there is a better part perhaps it involves the tax on land. Should we eliminate

all taxes on land, or is it possible that by increasing the tax on land and rescinding all taxes on improvements we might vastly stimulate business activity? In doing so we might provide jobs, not only for a small percentage of those now looking for work, but for all of the eight million who are unemployed.

DANGER: MENTAL BLOCKS AHEAD

One would think such a thought would be a most intriguing idea, but the moment one suggests to any of the 99% that we should increase the tax on land value they "hit the ceiling." "What? Increase the tax on land and make land more expensive than it already is?" One might as well have said that two trips to the moon every month would cure all our economic woes! The answer: "No! Just the opposite. Increase the tax on land value and bring the price of land down. Stop taxing labor products altogether and eventually increase the quantity and quality of production, and bring the cost of everything down. Upon declaring that this procedure of shifting the entire tax to land value and eliminating all taxes on labor products would make land accessible to all who need it, the alleged 99% will look puzzled. A few will become indignant and act as if you had insulted their intelligence. We have become so accustomed to having to pay from ten to forty thousand dollars for a lot that we cannot imagine eliminating that item of cost from the price of a home or the cost of a land site for a store or a factory. In simple language, what it amounts to is just paying rent to the government for the exclusive use of a parcel of land. Then, having paid the rent for the land, there will be no further tax, no matter how elegant or simple the house or factory.

LAND IS DIFFERENT

It all comes down to this. Land is different from buildings and all labor products, so much so that taxes affect each in exactly opposite ways. There is just so much land. "No one can manufacture farms, create mines or fabricate a new world." On the other hand commodities are in limitless supply. They can be produced or destroyed. The quantity or quality are limited only by the laws, customs or general economic conditions that prevail at any time or place.

When it comes to BUYING or SELLING land those involved never have any misgivings about the relative difference between the land or whatever buildings might be on it. As population increases and the demand for land grows, the price of land goes up, and up, and up. The strategic position of the owner is paramount, and everyone knows that he holds the trump card. If a person must have a particular landsite, and no other will do, he had better keep it a secret. If the owner finds out he will really make him pay.

But when it comes to TAXING land, all is different. Indeed, those who were instrumental in creating the property tax policies never suspected that it would make any difference if the land and improvements were taxed alike. This suited the selfish purposes of landowners who bought more land than they could immediately use in the hope of "making a killing" later. The policy of taxing land value low, and thereby placing the brunt of the tax on the improvements, has all but ruined our economy. Thereby hangs the story of what we call the business cycle, — depressions, unemployment, and the flood of evils that follow in the wake of economic dislocations.

CONFUSION IN THE RANKS OF SCHOLARS

This failure to recognize the difference between land and buildings in the real estate tax policies has led economists and everyone else to think of land as a commodity. The classical formula in economic lore is that there are three basic factors involved in the production of wealth, — land, labor and capital. No one can deny this, but having said it, the modern economists proceed to forget the peculiar role that land plays in any economy. They practically leave land out of their equations. Many refer to land as wealth. After saying over and over again that land, labor and capital are the basic factors in the production of wealth, to say that land is wealth is to abandon logic. Even if they do not call it wealth, they treat it as if it were. Here are two things, land and buildings. They are as different as chalk and salt. Everyone involved in the operation of the property tax, — mayors, councilmen, assessors, business leaders, economists and all the taxpayers everywhere step right into a blind trap and take society down with them. How long is it going to take all those people to admit that the fundamental cause of the maldistribution of wealth is the traditional policy of taxing land and buildings as if they were alike?

RESULTS OF FAILURE TO UNDERSTAND

How many times have you read a statement like this? "A new study by the Internal Revenue Service shows that just 2.8 percent of America's adult population controls 28 percent of the nation's personal wealth, and that 28 percent is worth in round numbers \$2.4 trillion....Real estate is the favorite asset of the rich."

AFTER 5000 YEARS - A DISCOVERY

Why is it that for all of the philosophizing of the Ancient Greeks, the so-called revelations of Hebrew prophets and teachers, the practical genius of the Romans in the realms of law and social organization, that no scholar, up until 200 years ago, ever discovered why some always became inordinately rich, and the great majority were obliged to live in poverty. That the control of land was the highway to power was obvious to most people, but even the great Adam Smith used to puzzle over the problem as to why it was that so much of England's wealth "went to rent" and lodged in the coffers of the landowners.

It is strange indeed that this should still remain a puzzle long after the publication and phenomenal readership of Progress and Poverty by Henry George. Ricardo may have explained how owners of land were able to claim so much of the wealth that was produced, but Henry George, one hundred years later and one hundred years ago, told the whole world how such an injustice could be abolished by any government that wished to do it. I have been not a little provoked at my own college for never explaining to me how this could be done, leaving me to feverishly search for answers after the depression of the thirties turned life into a nightmare. In the light of what happens to people when a major depression strikes, one has to be generous to a fault to forgive the failure of our educational system to explain how depressions can be avoided. I find little solace in the fact that colleges in this country were founded by high-minded men but they were funded by men of wealth.

THE ELITE "CIRCLE THEIR WAGONS"

Following the appearance of Progress and Poverty, said to be the finest example of sustained logic in the English language, the rich and powerful began to circle their wagons. Many, because of their benefactions, were invited to become college trustees. In due time, young men, eager to teach economics in the leading universities, were told, early in their careers that the word was "mum", and the penalty was obscurity. The price seemed justified. College presidents may have thought it a small price to pay for potential endowments, but now, the time has come, either to face up or suffer the awful consequences fascist dictators tolling the death-knell of our cherished democracy.

HOW LAND TAXES REDUCE LAND PRICES

Our statement: "tax land value and the price of land will come down" is too much for Mr. Doubtful. Let us lay this doubt to rest before going on.

In Erie, Pa., in the early sixties, a vacant lot assessed at \$1,000, and that would probably sell for twice or three times that figure, would bring a tax of \$10.00. In most Pennsylvania cities there are three tax authorities: the school board, the city council and the county commissioners. By virtue of a new law all or part of the city tax could be based on land value, with all or part of the taxes rescinded on the buildings. Had the city adopted the policy of shifting all of the taxes over to land value, the tax on that vacant lot would be \$70.00. Of course, vacant or poorly developed properties would pay higher taxes. They should. Why should anyone be allowed to hold good land out of use when so many people need it? Those who had already built good houses, in spite of the fact that by doing so they would be obliged to pay higher taxes accordingly, they would get substantial reductions on their new tax bills. They should. Why should people be punished for building comfortable homes? Let them pay the tax based on the market value of the land, a community created value, and then let them build whatever they might wish or afford without additional taxation. Of course zoning regulations would be honored.

There are hundreds of vacant lots in Erie. What would happen immediately upon the shift of taxes to land value? Many lots would be sold. Many lots would be improved. With dozens of lots thrown on the market the price of all vacant land would come down. With new buildings going up all over town new jobs would be created. Banks would lower their lending policies and credit would be relaxed. All over town people would be trying to better their housing situations. Suddenly economic activity would be stimulated in every area. But the people were just too accustomed to living with all brakes on production tightly set and all fines for making improvements rigidly collected. It made no sense but I had to admit they were too much for me.

ONE EXAMPLE OF THOUSANDS IN NEW YORK

In New York City it is alleged that the builders of the Socony-Mobile Building agreed to pay the landowner the annual sum of \$500,000. That is RENT in capital letters, but there are thousands of such owners in that city. If all taxes were henceforth to be based on land value, and landowners, under the law, were legally obliged to pay all taxes on land value, any such tax would have to come out of the rent fund. The landowner might find himself obliged to pay \$200,000 and that would leave him only \$300,000 for having signed a lease. If he collects \$500,000 annually in rent, the purchase price of the land would be \$10,000,000. (\$500,000 X 20). But if his rent-take is only \$300,000 the purchase price would be only \$6,000,000. One might say that would be a slight drop in the price of land.

MILLIONS ACROSS AMERICA

Every town and city in the United States has its owners of high-rent properties who have long since left the city, but continue to collect those

rents from valuable but poorly improved land. When it is suggested that we stop taxing buildings to encourage private renewal measures, and to provide a method of taxation that will enable them to construct buildings that will assure them of a reasonable profit, they raise their voices in angry protest. They love those easy-come rents. Had it not been for them, along with the tens of thousands of land speculators, operating on the edges of all the towns and cities of America, siphoning off, across the years, literally trillions of unearned dollars, we might long since have adopted the suggestions of Henry George.

Adam Smith was a firm believer in the principle of laissez faire -- let the law of supply and demand alone and all things will work out to the advantage of all concerned. Many have come to question his position. Some very discerning economists have suggested that our conventional property tax policies have enabled land speculators to siphon off billions of unearned dollars from the daily competitive economic process, and to make it impossible for the law of supply and demand to function as it should. Therefore, laissez faire, a valid theory, only seems to have lost its validity.

We, who call ourselves Georgists, find our sympathies more with the eight million people out of work than with those owners of high-rent land, whose money could better be employed by investing in constructive enterprises. We think, not only of the desperate eight million, many of whom wonder where their next meal is coming from, but also of the many more millions whose fortunes would be enhanced if taxes on land were increased. Here we are, paying the wrong kinds of taxes to inadequately house, feed and clothe eight million people for doing nothing, when they could be enriching themselves, and us indirectly, by producing wealth or rendering some desirable service.

At this juncture let me repeat for double emphasis a statement made above. Our property tax policy affects the cost and accessibility of every square foot of usable land and every item of purchase in the country. Years ago as the business cycle advanced and landholders reacted to the increased demand for land by raising their prices, the popular phrase "the high cost of living was on everybody's lips. Today we use the word "inflation" and blame every thing on that. But inflation is not a cause. It is the inevitable result of the inflation of land values. But that still does not explain what causes the inflation of land values. When, as a business cycle moves along, desire

for land becomes strong and people are confident that long-range plans will succeed, the natural response of all landowners is to increase their prices. This ability of landowners to demand increased prices for land is caused by the government's practice of taxing land far below its real market value. Now we have arrived at the real cause of inflation. To stop inflation dead in its tracks, before it begins, the government should collect the full economic rent of land. If a landowner knows that it will not advantage him at all to demand a higher price for his land because the government will only take it away from him the next time around, his only alternative will be to use his land productively. If he cannot ride other peoples' backs to get rich he may as well roll up his sleeves and go to work for himself. There is nothing like a steady stream of water to discourage a huge fire, and there is nothing like a strong tax on land value to contain inflation.

Of course the inflation of land values translates into increased costs for everything. Toward the end of a business cycle the high price of land, plus the high costs of everything else, becomes too much of a burden and the system collapses. Everyone is caught in a turmoil of conflicting pressures that are beyond ordinary comprehension. We who call ourselves Georgists shake our heads in despair and say, "They should have listened. All this could have been avoided."

LAND: THE NEGLECTED FACTOR

Land is the neglected factor in all conventional reasoning. That low or high taxes on land value have, or would have, any effect on land prices or the high costs of everything we need, including land itself, is seldom ever mentioned. This does not change the fact. A low tax on land value is the direct and only cause of land speculation; the only reason that owners of central city land can collect Amazon sized streams of rent from merchants and users of office space; the only reason there are fourteen million vacant lots in American cities; and the only cause of city slums. When you come right down to it, our low-tax-policy on land is the basic cause of unemployment which leads to crimes of corruption in high places and crimes of violence in the streets, jammed court agendas and crowded jails. What else? The stream of evil is endless.

Whenever the property tax is blamed a chorus of superficial thinkers say, "Why pick on the property tax? There are millions of people who own no property. If you can't get them on the property tax let them pay income, wage, or sales taxes." Wait a minute! Whether you own property or not, you cannot live in a balloon. You live on land. You eat what grows on land. You wear clothes that came from land. If you own no property, so what? You

pay your landlord and he pays the tax for you. People who never pay rent live on the streets. Their inability to pay rent is what put them there.

INEQUITY AND THE INCOME TAX

To a person whose primary concern is justice and fair play one tax can be 100% bad and another 100% good, but the expression "a tax is a tax is a tax" runs the full gamut of public understanding in comparing the significant worth of one tax as against another. In the light of the enormous difference in the operation of our economy that such a change in property tax policy as we suggest might make, what is the potential in reforming the income tax?

Prior to 1913 there was no Federal Income Tax. There were two major reasons for creating it. 1) to even the score between the rich and the poor, and 2) to provide needed funds for the Federal Government's use. By 1985, due to an endless stream of loophole amendments, the first reason is no longer served by the system. As for the second, the demands for money to deal with problems arising from an indigenous state of inequity, caused by a fallacious handling of the property tax, has become so great that the nation is staggering under the weight of what has come to be our most threatening danger, namely the Federal Deficit.

The tendency toward inequity is in no way caused by the income tax. Any change in its functioning will in no way correct what ails the economy. The root of our problem lies in the property tax. All we can do with the income tax is to simplify it, until such time as we can eliminate it altogether. That will take a lot of time, and TIME may run out before enough people will see the light and act upon its directive.

But don't even think of getting rid of the income tax, which does provide vast sums for established programs, until what is good is in place. Gradually the property tax can be changed, and gradually—as new jobs are created and production in all lines is increased, just as gradually can welfare rolls and all kinds of government subsidized be reduced. This may sound like some of the glowing promises of President Reagan, but these promises are based upon a fundamental change in tax policy. His promises are all rooted in the system that has brought us to the edge of ruin, and unless we break with our past there can be no genuine hope for future euphoria.

THE DEMOCRATS AND THE GREAT DEPRESSION

There is a basic concept shared by many that taxes have little bearing on depressions and unemployment. We disagree. Taxes have everything to do

with everything, both good or bad, that happens to a country. The New Dealers, caught in the worst depression this country had ever known, raided the public purse, set up government bureaus and handed out billions in a desperate effort to allay suffering and to establish confidence. As a social worker writing food and clothing orders for erstwhile hard working people, I looked on, applauding with great relief. For the times, desperate beyond belief, it was the correct response. It was too late to establish a corrective. The people had to be cared for but they wanted to work. So the government made work, and the people, still free and left to their own devices, managed.

A change then in tax policy, such as we are recommending now, might have averted future troubles, but those in charge did not know what to do. The charade went on, snowballing to unprecedented proportions. Today, the Republicans, frightened at the prospect of a communist takeover in Latin America, where their own brand of capitalism has "gone to seed," are continuing to use the system of raiding the public purse, and so have created a deficit, so huge that the Democrats, who started the whole business, are horrified.

PROBLEMS IN LATIN AMERICA

Across the years, one thing and one thing only, the monopolization of land, is the basic cause of all the desperate poverty in all the countries of South and Latin America. We are in the same boat. Our own boat may look like a vacation liner but there are gaping holes in the hull. We have tried to patch them up with grants and subsidies, but the tell-tale evidence of eight million people out of work ought to be enough to convince us that in our own way we are in big trouble, just as they are. One thing the real powers-that-be will not stand for is any tampering with the basic cause of our predicament. If we had the wit to deal with our problem as we should we might have something besides raw power to keep the victims to our south from falling into the hands of the Soviets.

Our leaders need only deal intelligently with our own land problem to show them how to deal with theirs. It is as simple as A B C. Tax land value and stand by. The more ambitious element in both countries would immediately go into action. Failing to do this or, what is worse, not even knowing what should be done, all the members of Congress find themselves caught up in one gigantic stalemate,-- what to do about the Contras? One group says, "Give them guns." Another group says, "Be patient." The press stands by, knowing it is the issue of the hour, but not a word about the real cause or the simple cure. If we haven't sense enough to deal with our own problem, what right have we to beat-up on any one of them?

WHERE THE IS NO VISION

Those of us who call ourselves "Georgists" are well aware that instant land value taxation (or as many prefer "incentive" taxation) for the entire nation is virtually impossible, since only 1% of the people understand what it is all about. Trying to educate even the most thoughtful of the millions, who would automatically "hit the ceiling" at its mere mention, would be a herculean task. Nevertheless, there is always that terrible possibility that we haven't much more time. Do we dare not even try, and how might such an effort be envisioned?

Soon after the Constitution was adopted, the Congress delegated the task of instituting the property tax to the various states. It is amazing how little is said about taxes in the Constitution.

In Article 1, Section 1, we read:

- 1) All bills for raising revenue shall originate in the House of representatives, but the Senate may propose or concur with amendments as on other bills.

In Article 1, Section 8, we read:

The Congress shall have power:

- 1) To lay and collect taxes, duties, imports and excises, to pay the debts and to provide for the common defense and general welfare of the United States; but all duties, imports and excises shall be uniform throughout the United States.

That is it. In the constitutions of each state there always appears a general directive for the institution of the tax on real and personal property. Many of the states include the words that taxes should be levied "according to value and all taxes shall be uniform." In no state is any distinction ever made between real and personal property. Therefore, land and buildings have always been taxed in every state as if they were alike, and as if taxes affected each in the same way.

NO NEED FOR A CONSTITUTIONAL AMENDMENT

Look at those words, "Congress shall have power" and "Bills for raising revenue shall originate in the House." How could anyone conclude that a constitutional amendment would be necessary before any action could be taken? It required no constitutional amendment to delegate the responsibility to the States in the first place. When necessity demands, Congress can create whole new departments and give the President power to appoint a Secretary with Cabinet rank. We desperately need the authority of such a Department of Property Taxation (call it what you may). A new basic policy for the entire

HEAVY, HEAVY, WHAT HANGS OVERHEAD?

Once more our country is faced with an economic crisis which could reach debacle proportions. Not only does the Damoclean sword of nuclear warfare hang overhead, but the very real possibility of an economic breakdown lurks menacingly in the foreground. Once again we may be caught unprepared and have to resort to temporary expedients. Complete and total land value taxation is not possible. Whether it is done locally or on a national scale it must be done gradually in order to cushion the shocks of sudden change. Many enthusiasts think it can only be done locally, but the urgency of our present predicament should not be overlooked. Neither should we overlook the fact that daily television newscasts are so standardized as to make this entire country a neighborhood.

Experience indicates that even a small increase in the taxation of land value, coupled with the understanding that it is to be the policy to make gradual increases year after year, tends to motivate people with investments in unimproved land to shift their holdings to stocks in productive enterprises. When the idea catches-on all objections tend to fade.

A NEW LAW SENDS ME TO PENNSYLVANIA)

Twenty-five years ago I introduced the idea to many cities in Western Pennsylvania. Very few had ever heard of such a thing, not even firms that made a business of reassessing entire cities. When a new idea, involving the purse-strings of everyone in a city is proposed, reluctance and apprehension adds up to almost universal rejection. A few careful thinkers would catch-on, but on the whole it was a baffling experience. I made research studies and showed how homeowners would receive lower tax bills and factories would be able to enlarge their plants and expand their operations, but most people were intellectually unprepared to comprehend that tax policies have anything to contribute to social and economic problems.

Dr Steven Cord, A Professor of History in the Pennsylvania State University located in Indiana, Pa., undertook to carry on the work. Enjoying a base from which to operate, he began to publish a paper called Incentive Taxation, sending it to City Officials across the State of Pennsylvania. For ten years, with dogged persistence, he struggled to reach the minds of City Officials. At long last things began to happen. Today (1985) seven cities have adopted partial land value taxation. All have seen good things happen. Homeowners have received lower tax bills, factories have enlarged their plants and in every city there has been a marked increase in building permits.

nation is needed if any degree of uniformity is to be achieved. More than anything else we need to change the policy of taxing improvements, and we need to create a plan of action whereby the entire country will move: gradually, step by step, toward complete and total land value taxation.

Years ago, when it became obvious that people with limited incomes needed relief from having to pay high rents for poorly improved properties the Federal Government created a Department of Public Housing. It named a secretary and gave him cabinet status. If you will look at the telephone directories of any large city you will find column after column of numbers of administrators and tenants. The government is spending through that department millions, yes, billions of dollars to support such an operation. By adopting land value taxation that whole costly government operation could be shut down. Give men land and they will take care of themselves,-- no holds barred. Give those millions of people the dignity that all hard working people deserve.

OUR FIRST 300 YEARS

There is a neglected and forgotten chapter in American history. It is graphically covered in the first chapter of The History of The Great American Fortunes by Gustavus Myers. From 1492 until 1776 is almost 300 years. During the fifteen hundreds Dutch and English adventurers secured grants of enormous land areas. Supported by laws and customs designed to aid and abet landowners in England and The Netherlands, these men established their rights and powers and proceeded to divide this country into two classes,-- rich landowners living in manorial estates and clothed in silks and satins, and incredibly poor and destitute workers who, for the most part, had come to America as indentured servants, obliged to live out most of their lives in dire poverty. Prior to the American Revolution the system was legally the same as had prevailed in the Old World.

Following the American Revolution the old rules were off and those arriving late were able to strike out for themselves. But no one ever managed to suspend the economic law of rent, and gradually the preponderance of the wealth of America has become concentrated in the fortunes of a fraction of the population of 226,545,805 as reported in 1980. The concentration has come about gradually and we are convinced that the fortunes of the rich have been accumulated largely because we never acted officially upon the most important fact about taxation,-- that social justice awaits our institution of land value taxation.